Since the scheme is a commercial proposition which would bring back a return, it has been treated as a work of capital outlay. The provision made for the canal is Rs. 20,000. For the same reason, a provision of Rs. 16,000 has been made for the Appangat canal to afford irrigation facilities in the littoral tract.

INDUSTRIALISATION.

10. Cochin has had attempts made for bringing into existence a few industries—the Tanneries and the Potteries. The results were found disappointing, but further attempts are being made to resuscitate them. The Stone-ware Factory has been put on a re-organised working basis and better results are anticipated, the budget of the coming year showing profit of Rs. 26,000 against a loss of Rs. 16,000 in 1110 and Rs. 13,800 in the current year 1111. As regards the Tanneries also, efforts are made to set them working. The electrification of the important towns of Ernakulam and Trichur has long been under contemplation and the same has been made an accomplished fact by entrusting the work to a private limited company on terms as advantageous as could be thought of. A new textile company has been organised in the State and is in a fair way of progress. In order to give encouragement to these companies whereby they would be of benefit to the State in improving the economic condition and to relieve unemployment, the Government considered it essential that these concerns should be patronised by taking shares in them. As such monetary dealings are productive to the State they have been booked under 'Investment.' Government have proposed to take 2,000 shares in the Cochin Power and Light Corporation Ltd., at Rs. 10 per share and a provision of Rs. 12,000 has been made in the revised estimate of the current year and Rs. 8,000 in the budget estimate of the coming year. In the Cochin Textiles 1,500 preference shares have been taken at Rs. 100 per share, provision having been made for Rs. 37,500 this year and another Rs. 37,500 for the coming year, with stipulations regarding payment, in order to ensure safety for the investment.

TOWN IMPROVEMENT.

11. The cry has been that our municipalities of the three important towns of Mattancheri, Ernakulam and Trichur are lacking in funds for making improvements in their towns. No local Government can be expected to develop their towns and to increase the welfare of the citizens from the annual revenues

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and taxes, as they are collected. Works of large outlay can be, undertaken only from borrowed funds. Based on this system it is proposed to give a loan to the Mattancheri municipality and a provision of Rs. 1·96 lakhs has been made under 'Investment' in the coming year, for works in connection with water supply to the town by extending the water main at Ernakulam to Mattancheri. Ernakulam and Trichur municipalities have been asked to submit proposals in consultation with the Chief Engineer as to the details of works in their respective towns calculated to improve them and to provide necessary amenities to the towns. On receipt of their reports the question of giving loans to these Municipalities will also be considered, a provsion of Rs. 20,000 having been made in advance for a loan to the Trichur Municipality for the construction of a market in modern design. All these municipalities have also been asked to point out source to meet the interest and debt charges in due course.

LOAN.

12. The floatation of a new loan for Rs. 30·00 lakhs—its necessity and other details having already been touched upon by the Diwan in his speech; I do not reiterate the same here.

FINANCIAL POSITION AT THE END OF 1112.

13. Before I close my observation on the budget of the State, I would like to state for your information that our financial position at the end of the budget year will stand as follows:—

Capital Outlay (excluding Meter-gauge asset)	Rs.	156·41	lakhs.
Net Revenue surplus including cash balance	Rs.	51·84	„
Total asset	Rs.	208·25	„
Debt liability	Rs.	105·00	„
Net asset	Rs.	103·25	„

CRANGANUR.

14. Passing on, I come to the last item of my business to-day—I mean the Cranganur budget. A satisfactory solution of the finances of Cranganur has been baffling the best efforts of the Government for years past. It is always desired to be

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